noranda

REPORT OF THE ANNUAL MEETING

APRIL 28, 1978

ANNUAL MEETING REPORT

This brief report has been prepared for the benefit of shareholders who were unable to attend the Annual Meeting.

The meeting was convened at 2:30 p.m. at the Royal York Hotel, Toronto, with about 550 in attendance. Alfred Powis, President of the Company, acted as Chairman. There were 15,620,043 shares or 63.8% of the total issued shares represented either in person or by proxy.

The Annual Report, including the Auditor's Report, was submitted to the meeting.

The following shareholders who were present, were elected Directors of the Company: James C. Dudley, Louis Hébert, William James, A. J. Little, L. G. Lumbers, T. H. McClelland, D. E. Mitchell, André Monast, Alfred Powis, W. S. Row, W. P. Wilder, and A. H. Zimmerman.

Clarkson, Gordon & Co., Chartered Accountants, were reappointed auditors.

Following completion of the formalities of the Meeting questions were invited from the floor.

A number of speakers, representing labour unions, The Task Force on Churches and Corporate Responsibility and various religious denominations, read prepared statements regarding Noranda's involvement in Chile.

In response, Mr. Powis read excerpts from statements made by the Archbishop of La Serena, Chile, which while not wholly supporting the current government in Chile, stressed his church's support for investment as a means of improving the economic conditions in that country.

Replying to a question on Noranda's investment in oil and gas in western Canada, Mr. Powis said earnings from this activity would begin to have an impact on Noranda's performance in 1980 or 1981.

To a question about a recently announced discovery in northwestern Quebec, Mr. James replied that development work was proceeding as quickly as possible and was optimistic that production might begin by 1980.

Several other questions by shareholders related to dividends and labour relations.

The meeting adjourned at 4:10 p.m.

NORANDA MINES LIMITED

Address to the Shareholders

Opening Remarks by Alfred Powis
Ladies and Gentlemen:

While Noranda's earnings of $67 million during 1977 were better than those of the preceding two years, they still fell far short of satisfactory levels. They were less than half the record amount earned in 1974, and they failed either to produce an adequate return on shareholders' equity or to help restore Noranda's liquidity.

The economic recovery throughout the industrialized world remained sluggish and uneven. Demand for most commodities was weak, and in some cases prices collapsed under the pressure of excess capacity and inventories. From a North American standpoint, the full extent of this collapse is obscured by inflation and our natural tendency to think of prices in terms of dollars. Expressed in the currency of an economy that has been better managed – Swiss Francs for example – the prices of a number of commodities are at their lowest levels since the 1930's.

Earnings from mining and metallurgical operations in 1977 were at their lowest level of this decade, but Noranda's diversification proved to be a major advantage. Markets for some of our newer products were relatively strong and manufacturing and forest products results improved substantially. As noted in the Annual Report, 1977 was the first year in Noranda's history that earnings from our traditional field of mining and metallurgy were exceeded by other operations. To an extent this is specious, since the results of the U.S. aluminum operations – largely metallurgical in nature – contributed most of the manufacturing group's profit. However, it does serve to illustrate the very weak position of the mining industry in Canada.

The change in the relative values of the Canadian and U.S. dollars had a pervasive impact on results. It is not possible to quantify this impact with precision; however, it is clear that, had the Canadian dollar remained at the levels prevailing in 1976, Noranda would have reported a decrease, rather than an increase, in earnings last year.

For some years, we have dwelt in our remarks to shareholders on the debilitating impact of inflation on the liquidity of Noranda and other Canadian corporations. Noranda's reported earnings since 1974 have been unsatisfactory, but had they been real our liquidity would not have been seriously eroded. The simple fact, however, is that earnings as shown by traditional accounting methods are not available in inflationary times to pay dividends or finance growth. Instead, capital expenditures considerably in excess of depreciation provisions are required simply to maintain capacity and efficiency. Further, additional capital is needed to finance bloated inventories and receivables, which must either be provided out of earnings or by borrowing.

An agreed upon method of measuring real earnings in an inflationary environment has yet to be developed by the accounting profession. In the 1977 Annual Report, Noranda did produce a statement following the recommendations of an Ontario government committee which attempts to come to grips with the problem. In contrast to the $67 million of reported earnings, this statement indicates that only $22 million were hypothetically available from the year's operations to pay dividends or finance expansion. However, aside from the fact that the index used may understate the full impact of inflation, this statement contains a questionable assumption – that a corporation can perpetually increase its borrowings to finance inflated working capital and capital expenditure requirements. If this assumption were eliminated from the statement, the $22 million surplus would be converted to a $15 million deficit.

The fact is that Noranda has borrowed enough. Over the past five years, we have reported earnings of $441 million. During this same period, however, we have had to finance a $350 million inflation-induced increase in inventories and receivables simply to carry on the same physical volume of business. Obviously, after dividends, we have not earned enough to finance growth and maintain existing facilities, and the substantial amounts actually spent for these purposes had to be borrowed to a significant extent. The resulting strain on Noranda's liquidity has gone far enough, and we can no longer contemplate large net additions to our debts – except perhaps to finance self-liquidating developments such as those planned by Canadian Hunter and Fraser Companies.

The impact of inflation on capital spending levels has contributed to the tight liquid position. However, this could

have been handled without strain, and the overall position would still be relatively comfortable, had it not been for the superimposed impact of inflation on working capital requirements. Finally, both problems could have been handled comfortably had it not been for a totally inadequate level of profits since 1974, which has both reduced new capital generated internally and impaired the ability to raise capital externally. The impact of the tax system has also been profound. Had earnings over the past five years been taxed on the same basis as in the 1960's, cash flow from operations would have been improved by nearly $100 million.

Profit has been a dirty word in Canada for some years. However, without healthy profits, corporations like Noranda simply cannot make the contribution to economic growth that this country so badly needs. Our present circumstances prevent us from embarking on significant new projects unless they are self-financed or funded by sale of existing assets, although we continue to be involved in some ventures that show real promise for the future.

To discuss recent developments and trends in Noranda's mining and metallurgical businesses, I now call on William James.

Remarks by William James

The market prices of our main products, copper and zinc, were lower in 1977 than during the previous year. The lower value of the Canadian dollar more or less offset the drop in the copper price, but was not sufficient to compensate for the 30% decline in the zinc price. Prices for molybdenum, lead, gold and silver were all stronger in 1977, and overall mining and metallurgical earnings, before exploration write-offs, were similar to those of the previous year.

During periods of depressed prices and oversupply, continuity of operations is dependent on the unit cost of production, which in turn is dependent on the grade of the orebody, the technology applied, the productivity of the work force and the efficiency of processing. Within the Group there are some thirty mines producing a wide variety of metals, making it somewhat difficult to generalize. However, some observations apply.

One is that we do not have the richest orebodies in the world – the copper mines of Chile, Zambia and Zaire are higher

grade, as are some of the lead-zinc mines of Australia, Mexico and Peru. Another is that our salaries and labour rates are among the highest in the world. However, these are in part offset by the lower value of the Canadian dollar and, more significantly, by the fact that our productivity is relatively good.

Thus the comparatively high-grade orebodies in the Group are able to compete internationally at a time when many mines throughout the world are either being shut down or subsidized by governments. During the past two years, we have become more efficient and productive but, despite these improvements, some of the lower grade zinc mines may have to suspend operations until prices rise.

Turning to some of the operations, Gaspe Copper has continued to tighten cost controls and improve efficiency, resulting in a 9% reduction in the work force while maintaining sulphide ore production. Significant increases have been made in molybdenum recovery. Operation of the oxide vat leaching plant was suspended in November because of a high iron content in the effluent, and studies are underway to determine the economics for the resolution of this problem.

Brunswick Mining and Smelting curtailed its mine expansion program because of weakening prices and growing zinc concentrate inventories. The work force was reduced by 10%, despite which output continued to increase throughout the year, and the overall zinc recovery has been improved by five percentage points to 80%. Higher prices for lead and silver only partially compensated for the reduced zinc sales and net profits were substantially reduced. However, the grade of ore combined with productivity improvements at this operation make it competitive with most zinc-lead mines in the world.

Central Canada Potash is another efficient operation which operated at 97% of rated capacity, the highest of any potash mine in Saskatchewan. This company earned a profit before taxes of $25.9 million but, unfortunately, after provincial royalty fees and taxes of over $15 million and income taxes of $12 million, incurred a net loss of $1.3 million.

The Brenda mine continues to be highly efficient and, with the recent increase in the molybdenum price, should continue to be profitable this year. Brenda has acquired petroleum interests through purchase of natural gas reserves in Alberta and participation in exploration in the Beaufort Sea.

The Geco mine, one of the cornerstones of the Group, had another efficient and productive year. For market reasons, the zinc content of ore mined was maintained below the average grade of reserves.

The net income of Mattagami Lake Mines was substantially reduced by the lower price of zinc. Because of weak markets, operations at Canadian Electrolytic Zinc were reduced to 69% of capacity, and output for this year will be no better. Zinc concentrate production from the Orchan mine will be cut proportionally.

The copper smelters and the refinery are also operating at considerably less than capacity—under 80% in the case of the refinery—due to market conditions. Efforts to maintain cost effectiveness at these lower operating rates are showing results.

The development and construction at the Tara mine in Ireland was completed at a cost of $151 million. It officially began production in January and is expected to mill 1.9 million tons of ore this year. While this is a great mine, with the current zinc market and its heavy debt load it is unlikely to generate surplus cash this year.

Production of uranium from the Agnew Lake property, 90% owned by Kerr Addison, is far behind schedule and has been disappointing. It is now producing at about one-third of capacity, but is expected to gradually increase output to planned levels by year end.

Last year, Noranda spent $18.5 million on mineral exploration and $3.5 million on development – 45% in Canada. Because of current difficulties, planned exploration expenditures this year have been reduced to about $11.7 million, of which 57% will be spent in Canada. Costs of $2.2 million for the feasibility study and Environmental Impact Statement for the Koongarra uranium property in Northern Australia will likely result in increased development expenditures this year.

Noranda added two participants to the Canadian Hunter oil and gas program, reducing its interest to 75%. Proven and probable net reserves at year end were estimated at 7.3 million barrels of oil and 245 bcf of gas. Land holdings are now nearly 2 million net acres. Daily production, net after royalty, is presently 17 million cubic feet of gas and 1,100 barrels of oil. Gas production should double by year end. The most interesting

area is Elmworth, south of Grande Prairie, where we have a gas contract for sales beginning in November, 1979. Studies for gathering systems and gas processing plants are underway. Canadian Hunter's net holdings on this trend in Alberta and British Columbia are some 507,000 acres. In this area the Falher conglomerate is the main producing formation, but encouraging results are being obtained in several other horizons.

The excellent safety record at the Horne smelter in 1977 has continued through the first quarter, and the Noranda Continuous Smelting plant has not had a compensable accident for two years. The Mattagami and Mattabi operations had excellent safety records and the lowest compensable injury frequency of all mines in the Noranda Group.

Improvement of conditions in the work place and in the general environment has been a long-term policy of this company. Last year the mining and metallurgical group spent $7.2 million on such programs. Projects included reduction in dust levels in the Belledune lead smelter, rehabilitation and stabilization of tailings ponds, water treatment plants and noise abatement programs. A water effluent control program for operating and inactive mine sites in northwestern Quebec is underway. The work, which involves several phases, will extend over five to ten years.

In our view, research is fundamental to the improvement of our products, processes and working conditions. We also study methods of minimizing adverse environmental impact at our properties and investigate new business opportunities. Noranda Research Centre spent $4.5 million in 1977. The directions of this research are practical, and focussed in several general areas. The first is product development such as zinc alloys, thin-wall diecasting, or the use of molybdenum in high-strength-low-alloy steels. Another is the development of process control, for example new instrumentation in the concentrators providing reduced reagent consumption, improved recoveries and higher throughput. This type of research has made our operations better places in which to work with higher efficiency, and our products more competitive in tight markets.

The broad range of the Noranda Group's mine products is presently encountering a wide variety of market conditions. The most significant products in terms of earnings, however,

are copper and zinc where it is unlikely that there will be substantial improvements in price until some of the excessive stocks overhanging the market are eliminated.

Survival has necessitated that most of our operations reduce the numbers employed. This has been essential to maintain the viability of operations against international competition. We are concerned about the loss of jobs, the disruption of families and the social problems involved. However, we believe that in the long term a profitable and competitive industry will provide more jobs and more stable employment than one which cannot compete. We have the people, the orebodies and the financial resources to see us through these difficult times.

I now call on Adam Zimmerman to discuss manufacturing and forest products.

Remarks by Adam Zimmerman

Manufacturing results for 1977 were well described in our Annual Report. To refresh your memories, we had excellent results in our U.S. aluminum and tube operations, but Canadian manufacturing in the aggregate was only marginally profitable. Foreign operations outside the United States were generally improved over 1976, although two small ones were write-offs. Most of what happened was as predicted a year ago.

Probably the most important aspect of 1977 in Noranda's Canadian manufacturing activities was the dawning realization that our position has for many years been fortified by continuing economic growth. This generation of managers has always been able to rely on growth, if nothing else, to cover past errors or deficiencies. We now believe and understand that growth opportunities are generally going to be more sporadic than in the past and largely of our own making. Each business must find its special place and thus a tighter and more efficient organization structure has been put in place to achieve two primary objectives: to consolidate related activities and thus achieve some synergy, and to become more aggressive and specialized in the marketplace.

The concept of integration from mine to market is an appealing notion, and is a political objective in Canada. However, to mean anything, integration also has to be profitable and capable of sustaining sound businesses. This is difficult to achieve in a thin, sparse market like Canada and we should not be misled by exhortations to export, particularly to the United

States. Since 1975, the U.S. market has absorbed increases in copper and brass products from the Common Market of 59% or 39,000 tons, from Sweden of 123% or 13,250 tons, and from Japan 174% or 52,400 tons, which compares with the Canadian increases of 41% or 15,500 tons.

Noranda's present approach is to focus our efforts on those products and areas where we can achieve a major market share and be the most cost effective. We will make the most of our present exchange rate advantage and resist to the limit further inflationary pressures on our costs. To do otherwise would be to seal a sad fate. This may seem like simple common sense, but in the past many companies like ours have tried to manufacture the full range of products required by the domestic market and export a little of everything, even if to do so is totally inefficient. The first three months of 1978 seem to indicate some success with our changed approaches.

Volumes and prices in the Canada Wire Group have strengthened, and domestic profits to date are ahead of 1977. Good progress is evident in the plastics operations, and we remain enthusiastic about the prospects of the much-publicized fibre optics program, although it is becoming expensive. On the other hand, foreign earnings have been disappointing so far this year, largely the result of exchange fluctuations. We see them coming back on track as the year progresses.

The Noranda Metal Industries Group has achieved outstanding improvement across the board. Admittedly, this has been helped immeasurably by work stoppages in the U.S. brass industry, as well as the reduced value of the Canadian dollar. It has also been helped by improved product quality and specialization, and we are confident that we have made significant inroads into new markets which we will be able to hold so long as we remain cost effective. The foundry and recycling business is picking up, and the Canadian wire rope operation is holding its leading position. The U.S. wire rope operations are being rationalized, with the new wire drawing facility beginning production and an older ropery about to be closed.

I am afraid that, for manufacturing, the good news is limited to the improvement in the Canadian and related operations. This has been far more than outweighed by the disastrous shutdown of our aluminum plant due to the disruption of electrical power supply. As well as causing a loss of profits, the

shutdown creates enormous additional start-up expenses, and we estimate the loss of profit before tax recoveries in 1978 will be close to $18 million.

The aluminum reduction plant was built in New Madrid, Missouri, due to the power rates ultimately offered. After some ten years, problems with respect to the power supply have become the subject of a number of pending lawsuits. Accordingly, some form of renegotiation is now essential. While we may be faced with higher rates than originally bargained for, due to coal prices if nothing else, we are confident that our long term power costs can continue to be attractive.

The other major U.S. manufacturing facility, Norandex, experienced the usual winter doldrums for a company which manufactures building products. However, it is right on track and we are confident that it will make a profit contribution in 1978.

In summary, as the saying goes "you win some and you lose some". Last year, our diversity had aluminum pulling the rest of the operations up by their bootstraps, and hopefully the others will come through in 1978. Nevertheless, it is going to be impossible to overcome the loss from the aluminum shutdown. Excepting that, we expect all other operations to have improved results in 1978. Overall, Noranda's investment in manufacturing of $490 million generated sales of $606 million in 1977. We have a clear understanding of what it will take to achieve satisfactory rates of return on this investment.

Forest products matched aluminum as the profit star of 1977. Total sales of forest products companies in which we have an interest were $978 million, Noranda's beneficial share of which was $455 million. The overall return on assets employed by these companies was 10%. Forest products have kept up the pace so far in 1978, exceeding their plans in all cases, although at least 40% of these profits are foreign exchange gains. We are glad to have them, but we certainly cannot base our future on anything so transitory.

In Northwood Mills, the lumber operations benefited from the very strong market, as well as improvements in the operations themselves. The building material outlets and the sales operations all had successful years, and gave evidence of previous strong management action. Northwood Mills has lumber sales offices in Toronto, London and Tokyo, as well as

six major building material outlets across Canada selling in the aggregate $125 million of product.

Fraser Companies continues to outperform its budgets and improve its profitability. The $91 million Edmundston pulp mill rebuild is in the step-by-step completion phase and some major benefits are already being felt in fuel savings and washing efficiencies. Major additions to the company's sawmills enabled them to reach record production levels in 1978. A new major project has just been approved to enlarge capacity to produce groundwood printing papers at the mill in Madawaska, Maine. The objective with Fraser is to spend well and wisely, for there is no shortage of potential projects, all of which are being financed within the company's own cash and credit resources. Finally, Fraser's rate of return was the second best in recent history and third among Canadian public companies.

Northwood Pulp and Timber continues to demonstrate its maturity and balance by outperforming the industry. We keep a careful watch on what we perceive to be our principal competition, and Northwood is the match of any we can identify. Although pulp prices are dreadful, at least volumes are holding much better than expected and inventories are being reduced. Combined with a sensible operating rate in the world pulp industry so far in 1978, these signs seem to indicate that the bottom has been reached, and there may be some recovery of the 25% price decline in recent months. Northwood's sawmills are among the best in the business, and I cannot exaggerate their importance to both the balance and profitability of the enterprise.

A new venture recently initiated by Northwood is waferboard, a reconstituted wood product which combines wood flakes and resins into a panel that replaces plywood in many uses. The project involves converting the particleboard plant in Chatham, New Brunswick at a cost of about $11 million. When complete, this plant should place Northwood Pulp in a leading position in the growing waferboard industry.

All of the favourable factors in our other companies are also reflected in the results of British Columbia Forest Products. Modern plant, strong management, integrated operations, and generally the right products, combine to make this company a juggernaut in the industry. The newly-acquired Blandin Paper Company is making a strong contri-

bution. The only cloud on BCFP's profit horizon may be the impact of the pulp market on the results of the St. Felicien mill when it opens late this year. Even so, the company can afford the gamble and business, after all, is educated risk taking.

I now turn the meeting back to Alfred Powis.

Concluding Remarks by Alfred Powis

For a number of years, many Canadians cherished the illusion that, due to our rich endowment in resources, prosperity was our automatic birthright no matter how much abuse our economy was forced to absorb. Over the past three years, under the combined impact of high rates of inflation plus unacceptable levels of unemployment – the worst of all possible worlds – this illusion has begun to fade. While all industrialized countries have faced economic difficulties, Canada's comparative performance has been unsatisfactory and our relative living standards have declined sharply.

It seems that protracted prosperity contains the seeds of its own destruction. People begin to forget the lessons learned in more difficult times, and to assume that the private sector can continue to generate ever-increasing wealth no matter what burdens it is forced to carry. However, it is also becoming apparent that adversity has its uses, and that our present circumstances are beginning to create a new atmosphere of realism. Nowhere is this more apparent than in a series of sobering reports recently produced by the federal government.

These reports admit that the prosperity of the 1960's persuaded governments that they could design and implement a wide range of social programs, which were then launched with inadequate attention to their costs or knowledge of what their impact would be. They state that the competitiveness of Canadian industry has been seriously eroded, in part by the burden imposed by these programs and in part because our unit labour costs have risen so much faster than those in the United States. Devaluation of the currency has offset some of our past excesses, but cannot be counted on as a permanent cure.

The reports also affirm that governments must rely on private initiative to achieve economic growth, and that the only cure for our loss of competitiveness is a rigorous drive for increased productivity. They state that the main incentive remains the prospect of higher profits, but that profits in real

terms in the 1970's have been significantly below those prevailing in the two preceding decades. Moreover, Canada's relatively poor inflationary performance and the resulting decline in the real value of earnings have caused the effective rate of taxation to rise significantly. They conclude that higher levels of effective taxation, price controls and various other government policies have weakened the incentive to improve efficiency.

They acknowledge that the difficulties that beset the economy have brought home to governments the fact that priority must now be attached to economic objectives, as only thus can Canada generate the wealth required to achieve its social goals. In the past, a number of policies have imposed unnecessary uncertainties and costs on the private sector. They recommend that, in future, government policies which set the environment within which the private sector operates should be made fully supportive of employment and efficiency objectives.

Among the remedies proposed in these reports are: restraint in government spending so that it progressively absorbs a smaller share of the gross national product; restraint in public sector wage settlements so that they will not lead the private sector; a review of various government policies with a view to modifying those that unnecessarily impede economic growth; and intensive consultation with various industrial sectors with a view to establishing incentives for, and removing impediments to, their future development.

We cannot solve our problems unless we understand their cause, and for this reason the realistic assessment of our present situation contained in these reports is encouraging. If the proposed remedies are actually implemented – which by no means can be taken for granted – we will stand a good chance of solving our problems. However, hopes for a quick cure would be unrealistic. It took a number of years of abuse and excess to create this mess, and we will need several years of sensible policies to clean it up. However, the sooner we start the sooner we will achieve our objectives, and there is now some reason to hope that a start will be made soon.

Superimposed on our other national problems, the mining industry in recent years has had to live with a chaotic series of tax systems that have destroyed confidence in the logic and fairness of Canada's resource policies. Warnings that this

would inevitably lead to a serious decline in an industry which is essential to our economic health were ignored – at least until recently. Substantial layoffs last year, tragic as they were, at least served to focus public attention on the fact that mining is in trouble. An interdepartmental federal government taskforce has been working with the Mining Association of Canada to study the problem, and federal-provincial consultations leading toward a more rational tax system have begun. No concrete results have yet been achieved, but at least the problem is receiving serious attention – at last.

Meanwhile, Noranda's results to date this year have been affected by a number of cross-currents. On the favourable side, copper prices have risen to some extent, performance at Gaspe Copper has been much better, domestic manufacturing operations have improved, and the performance of the forest products companies has been very strong. In addition, the continuing decline in the value of the Canadian dollar has been beneficial, although it has also resulted in some book losses on foreign borrowings. On the other hand, the price of zinc has weakened even further, reducing both operating earnings and inventory values. The most devastating event, however, was the closure of the Noranda Aluminum operation, which reduced earnings for the period by an estimated 58¢ per share. As a result, first quarter earnings were only 62¢ per share compared to 78¢ per share for the same period last year. At their meeting this morning, your Directors declared a regular quarterly dividend of 30¢ per share.

All of the known future costs of the start-up of the Noranda Aluminum plant were absorbed against first quarter results. With the plant expected to reach full production in June, results for the balance of the year may be better, but we do not expect a restoration of earnings to really satisfactory levels. With an overhang of excess inventories in many commodities, there is little prospect of a dramatic recovery in present depressed prices. The weakness of the Canadian dollar will be helpful, but it has only partially offset the combined impact of higher costs and lower prices. As a result, with our poor start, we will do well to equal 1977 results in 1978.

The consensus of economic forecasters is that 1978 will be another year of slow recovery, but there is a nagging concern that even these modest forecasts may prove optimistic.

The period of recovery has already lasted longer than most, and at this stage there should be a resurgence of business capital spending if it is to be sustained. However, the lack of business confidence and corporate liquidity argue that this may not happen, and that an economic downturn could develop later this year. If this happens, many of Noranda's businesses will not even have felt the present economic recovery.

As noted in the Annual Report, Noranda's underlying policies over the past three years have been based on the premise that, while the recession was more severe than anything encountered since the 1930's, it would be followed by an economic recovery that would restore earnings and corporate liquidity to satisfactory levels by 1978. Based on past experience, the premise was reasonable enough but, with the benefit of hindsight, clearly wrong. As a result, even further retrenchment and restraint are appropriate, together with some redeployment of our assets.

Noranda's management has always been dedicated to sound growth – to the development of new enterprises which will contribute to the country's economic health as well as provide a satisfactory and growing return on shareholders' equity. Lacking both the opportunity and the financial flexibility to continue on this course for the time being, the present period is a particularly frustrating one for Noranda people. However, it would be wrong to become discouraged.

Noranda's basic position is strong in terms of its assets, its position in the various markets it serves, and its people. It is in a position to produce excellent results in the context of reasonable world business conditions and a properly-functioning Canadian economy, and both should eventually develop. In addition, some recent new ventures should impact strongly on results in the 1980's – notably the oil and gas operations. As with the Canadian economy, Noranda's recovery will probably be slow, but there are reasons for optimism about the longer term.